MIDCLEAR
CENTRAL SECURITIES DEPOSITORY

REGISTRAR OPERATING RULES

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INTRODUCTION

The "Custodian and Clearing Center of Financial Instruments for Lebanon and the Middle East ("MIDCLEAR") acts as a Central Securities Depository pursuant to the provisions of Law 139/1999 and as the sole National Numbering Agency since 02 July 2003 in Lebanon, allocating International Security Identification Numbers (ISIN) for all securities. As per Article 2 of Law 139, Midclear shall undertake, among other operations, on behalf of its participants:

"Managing, with explicit authorization, the Shareholders' Register of a joint-stock company, in addition to transferring the ownership of the shares and other financial instruments and movable assets issued by the company, and distributing returns, cash and stock dividends"

Midclear was also appointed Central Registrar for all Lebanese Banks' Shares by Law 308 dated 03/04/2001. The operating Rules of the Registrar Department are mainly governed by the provisions of Basic Decision No. 7814 dated 11/05/2001, regarding ***"Implementation Regulations on Lebanese Banks Shares Issuing and Trading"*** consequently, title of ownership on the shares and the constitution of any rights and encumbrances thereon, will be evidenced by the entries made in the main Registrar held by Midclear.

I. SUBMITTING THE SHAREHOLDERS' REGISTRY TO MIDCLEAR

Midclear provides the management of the Shareholders' Registry for Banks, Commercial Companies and Common Placement Funds, whether listed on the Beirut Stock Exchange or not, on a book entry basis; therefore, all physical share certificates issued by the company will be cancelled.

A. BANKS

By Law 308, all Banks should have their Shareholders' Registry managed by Midclear. Therefore, the Banks do not sign contracts with Midclear to handle their Shareholders' Registry. Since Banks are supervised by Banque Du Liban, the procedure for handling the Shareholders' Registry starts some time before the issuance of the Governor's Decision to list the new Bank on the official "List of Banks". The new Bank should contact the Registrar Department by sending an email to Registrardept@midclear.com.lb informing it of their intention to deliver the Shareholders' Registry to Midclear. The documents to be provided are the following:

- Copy of the Bank's Certificate of Commercial Registration
- The Articles of Incorporation (Bylaws) duly legalized
- List of authorized signatories
- A copy of the Ministry of Finance taxation number
- Copy of the Resolutions taken at the first Shareholders' General Assembly Meeting
- New Shareholder is Individual:
  - Copies of the shareholders' IDs for the Lebanese Nationals and their Family Civil Extract; Passports for foreigners
  - Forms 1 & 1.2
- New Shareholder is Company:
  - Form 1.1
  - Copy of the Certificate of Commercial Registration
  - Copy of the Articles of Incorporation (Bylaws) duly legalized
  - List including the names of the shareholders and the number of shares they own in the company.
  - Copies of the IDs of the main shareholders.
  - If the shareholder is a company, same papers will be requested as mentioned above.
- The Shareholders' Forms are found on our website:
  - *Details_Shrhldr_InfoArabic_1.pdf*
  - *Details_Shrhldr_InfoEnglish_1.pdf*
  - *Details_FamilyShrhldr_InfoArabic_1 2.pdf*
  - *Details_FamilyShrhldr_InfoEnglish_1 2.pdf*
  - *Details_Company_InfoArabic_1.1.pdf*
  - *Details_Company_InfoEnglish_1.1.pdf*

Once the Bank is listed on the official BDL Banks' List, the Bank is requested to submit a Letter of Affiliation *("Resident Financial Institution Request of affiliation")** to Midclear and register on Midclear Online System in order to submit the Shareholders' details and request shareholder numbers (https://www.midclearonline.com.lb)**

Midclear will finalize the registration process and credit the shareholders' accounts with the shares as soon as all the requirements mentioned above are met.

** Become a Member/Nonresident Financial Institution document found on Midclear's website www.midclear.com.lb*

***Please refer to the Administrator User Guide & the ECA User Guide found on Midclear's website*

B. COMMERCIAL COMPANIES

Midclear and the Commercial Company will sign an Agreement by which the company agrees to submit its Shareholders' Register to Midclear. In addition to the *"Resident Financial Institution Request of affiliation"*, the following documents are needed:

- Copy of the Certificate of Commercial Registration
- The Articles of Incorporation (Bylaws) duly legalized
- List of authorized signatories
- A copy of the Ministry of Finance taxation number
- New Shareholder is Individual:
  - Copies of the shareholders' IDs for the Lebanese Nationals and their Family Civil Extract; Passports for foreigners.
  - Forms 1 & 1.2
- New Shareholder is Company:
  - Form 1.1
  - Copy of the Certificate of Commercial Registration
  - Copy of the Articles of Incorporation (Bylaws) duly legalized, stating explicitly that all their shares are in registered form, and are fully and continuously owned, whether directly or indirectly, by natural persons or companies whose shares are in registered form.
  - List including the names of the shareholders and the number of shares they own in the company.
  - Copies of the IDs of the main shareholders.
  - If the shareholder is a company, same papers will be requested as mentioned above.
- All documents substantiating the existence of any rights, restrictions or burdens (such as Pledges, Court seizures, Freezes, Usufruct….) on the shares.
- Any movement of shares (Buy and Sell) at the shareholder level at least for the last two years, unless the company wishes Midclear to keep the history data since the company's inception. An Excel sheet will be available to fill the "Shares History".
- All General Assembly Meetings held since inception (Ordinary and Extraordinary).

In case the names and full details of the beneficiaries of the securities are not known to the Issuer, the securities will be registered under shareholder name "Unidentified 1", "Unidentified 2", etc.
If the names are known but full details concerning addresses and phone numbers are not known to the Issuer, then the securities will be registered in the shareholder's name as provided by the Issuer with "not available" for all other info.

C. MUTUAL FUNDS

Midclear and the Mutual Fund will sign an Agreement by which the Fund agrees to submit its Unit holders' Register to Midclear. In addition to the *"Resident Fund Request of affiliation"* or *"331 Funds Request of affiliation"*, the documents needed are as follows:

- Resident Funds:
  - The Certificate of Registration
  - The Articles of Association, duly legalized
  - A copy of the Ministry of Finance taxation number
  - Private Placement Memorandum
  - CMA approval
  - List of authorized signatories
- Funds under Intermediary Circular 331:
  - The Certificate of Registration
  - The Articles of Association, duly legalized
  - A copy of the Ministry of Finance taxation number
  - A copy of the Certificate of Commercial Registration
  - BDL approvals
  - Private Placement Memorandum
  - List of authorized signatories

Other documents:

- Unit holder is Individual:
  - Copies of the Unit holders' IDs for the Lebanese Nationals; Passports for foreigners,
  - Form 1
- Unit holder is Company:
  - Form 1.1
  - Copy of the Certificate of Commercial Registration
  - Copy of the Articles of Incorporation, stating explicitly that all their shares are in registered form, and are fully and continuously owned, whether directly or indirectly, by natural persons or companies whose shares are in registered form.
  - List including the names of the shareholders and the number of their respective shares in the company.
  - Copies of the IDs of the main shareholders.
  - If the shareholder is a company, same papers will be requested as mentioned above.
- All documents substantiating the existence of any rights, restrictions or burdens (such as Pledges, Court seizures, Freezes, Usufruct….) on the units.
- Any movement of units (Buy and Sell) at the unit holder level at least for the last two years, unless the Fund wishes Midclear to keep the history data since the Fund's inception. An Excel sheet will be available to fill the "Units History".
- All General Assembly Meetings (Ordinary and Extraordinary).

II. SUBMITTING SHAREHOLDERS' INFORMATION TO MIDCLEAR

The shareholder number must be mentioned in all your correspondences with Midclear, via emails or letters.

A. SHAREHOLDERS' FORMS

Any individual or company wishing to buy shares, whether listed on the Beirut Stock Exchange or not, should send the following to the Registrar Department:

- New Shareholder is Individual:
  - For Arab Nationalities, form 1 & 1.2 (*Arabic Forms*)
  - For Non-Arab Nationalities, form 1 & 1.2 (*English Forms*)
  - Lebanese Nationals:
    - A CLEAR copy of the new Lebanese Identity Card, if not issued yet, a copy of the Civil Extract إخراج قيد. Passports, driving license or other documents are not accepted.
    - For military officials, passports and official papers are acceptable.
  - Foreign Nationals:
    - A CLEAR copy of the Foreigner's Identity Card, or Passport.
- New Shareholder is Limited Liability Company or a Partnership:
  - For Arab Nationalities, form 1.1 (*Arabic Form*)
  - For Non-Arab Nationalities, form 1.1(*English Form)*
  - Copy of the Certificate of Commercial Registration
  - Copy of a certified copy of the company's Articles of Association
  - Copy of the list including the names of the partners and their stake in the company.
- New Shareholder is Company :
  - For Arab Nationalities, form 1.1 (*Arabic Form*)
  - For Non-Arab Nationalities, form 1.1(*English Form)*
  - Copy of the Certificate of Commercial Registration
  - Copy of the Articles of Incorporation (Bylaws), stating explicitly that all their shares are in registered form, and are fully and continuously owned, whether directly or indirectly, by natural persons or companies whose shares are in registered form*.
  - List including the names of the shareholders and the number of their respective shares in the company.
  - Copies of the IDs of the main shareholders.
  - If the shareholder is a company, same papers will be requested as mentioned above.
- New shareholder is a Mutual fund:
  - For Arab Nationalities, form 1.1 (*Arabic Form*)
  - For Non-Arab Nationalities, form 1.1(*English Form)*
  - Certificate of Incorporation
  - The bylaws of the fund, stating explicitly that all the units are in registered form.
  - A copy of an extract of the Prospectus showing the investment strategies, the current custodian and manager of the fund.

All the fields in the Forms should be filled clearly, especially the English fields in the Arabic forms, as well as the fields in the upper right hand corner: date, issuer and member.

The Forms should be signed by the shareholder, followed by the authorized signatures and stamp of the Bank or Financial Institution.

These forms apply to new shareholders as well as to the old shareholders when modifying or providing Midclear with new information.

If the requested shareholder pertains to a new trade on the BSE, the above mentioned documents should be sent to the Registrar Department on the day after the trade (T+1) at the latest.

All shareholder information will be available online in the future to the benefit of the users and issuers.

Midclear will reject any document if it is not readable, unclear or missing information.

**compliant with circular 411*

Midclear reserves the right to charge a penalty fee, whenever it sees fit, for any misstatement or wrongful information pertaining to shareholders.

B. TEMPORARY SHAREHOLDER NUMBER

To be able to request shareholder temporary numbers, Members should be subscribed to Midclear Online System, referred to in this document as "CA Online" (*Refer to the **Administrator User Guide** & the **ECA User Guide** found on Midclear's website).*

Members should login to https://www.midclearonline.com.lb and enquire if the shareholder already has a permanent number from the below menu, before requesting a temporary number. For the enquiry to be effective, the Participant must have the shareholder's ID since the information should be entered exactly as in the ID. If the ID is in Arabic, the enquiry is done in Arabic. If it is in English, it is entered in English. The enquiry will not be successful, if there is a difference in the data capture.
It is worth noting that before inception of Law 308, when shareholders numbers were submitted on the BSE, they were missing lots of information, therefore the database of Midclear is less accurate with regards to old shareholders information.



The information needed for Shareholder enquiry is:

- Full name (Arabic & English, and English only for Non-Arabs)
- Mother's name
- Date of Birth
- National Number
- Registration Number and Place
- Full address and phone numbers

The data entered should follow Midclear's rules on the system, which are:

- English names start with a capital letter
- Addresses start with a capital letter
- Names should not contain "-" or "'" or any other character including the Arabic "Hamza" in all its forms except when the Hamza is in the middle or the end of the of the name ex: رؤوف او مأمون او هيفاء
- Phone 1 is a landline phone and should start by the code followed by a slash, for example: 01/…., 07/….., 09/…… If it's a landline in a foreign country, then use: +33 …… or +1 …… or +965 ……. Etc.
- Phone 2 is the mobile number and should start by the code followed by a slash, for example: 03/…., 70/….., 76/…… If it's a mobile in a foreign country, then use: +33 789……..or +965 992……. Etc.

Midclear collects the information regarding the families of the shareholders, especially the Banks' highest executive management and employees (for the listed Banks only) and the companies and their shareholders, in accordance to the provisions and restrictions provided in the circulars issued by the BDL. After requesting temporary numbers for new shareholders, the family/company relations for this shareholder must be entered on the CA Online in the screen **Family Relations Requests**. Before entering the information, a temporary/permanent number must be obtained for each family/company member. Please note that you can create a new shareholder from "New from current", therefore, addresses and phones are copied automatically. This will prevent you from entering the same data more than once. Please refer to the ***ECA User Guide*** found on Midclear's website for further explanation.

Once a temporary number is submitted on the "CA Online", the Member sends all the requested documents in PDF format by email to Registrardept@midclear.com.lb. Midclear downloads the shareholder, verifies, assigns a permanent "Shareholder Number", and then uploads the allocated number on the "CA Online". This "Shareholder Number" is unique across all securities registered at Midclear whether listed or not on the stock exchange.

C. SHAREHOLDER COMPANY CATEGORY

The Participant should specify the shareholder category on Midclear's Shareholders Forms when submitting the information to Midclear. Whenever two or more companies constitute one economic unit, the Issuer or the Participant should provide this information to Midclear, by sending an official duly signed letter.

Note: Lebanese Offshore companies are not allowed to subscribe or purchase Lebanese stocks.

The categories are the following:

Shareholder Category	Description	Example
21	Holding Company	A company that owns other companies' outstanding stock.
22	Bank	Resident Banks listed on the official BDL's List of Banks or non-Resident Banks
23	Financial Institution	Resident or non-Resident Institutions that are intermediaries of financial markets. Resident FI are listed on the CMA's List of Financial Institutions
24	Other Financial Institution	Insurance companies, Telecom, companies that produce services etc…
25	Non-Financial Institution	Schools, Universities, Associations, Trusts, Charities, companies that produce goods etc…
26	Fund	Resident or non-Resident Investment funds
30	Treasury	A treasury stock or reacquired stock is stock which is bought back by the issuing company, reducing the amount of outstanding stock on the open market.
40	Fiduciary	A resident or non-resident Institution (Bank or Financial) holding a legal or ethical relationship of trust with one or more other parties. Banking shares in Lebanon are not held in Fiduciary accounts.
50	GDR	A non-resident Depositary Bank issuing a Global Depository Receipt against purchasing local shares to create a trading in a foreign market.
60	Government	Resident and non-resident Governments
70	Joint Account	A security account that is shared by 2 or more individual. Joint accounts in Banking shares are not allowed.
80	Heirs	A deceased person account

D. ACCOUNT TYPES

The account types used by the Registrar department when executing a Change of Ownership or Transferring to other accounts are:

1. Member's (Participant) holdings:

Account Types	Account Description English
10	Member's Holdings Free
11	Member's Holdings Pledged
12	Member's Holdings Blocked Shares (B)
14	Member's Holdings Locked-In Shares (L)

2. Member's (Participant) Client's holdings:

Account Types	Account Description English
20	Member's Client's Holdings Free
21	Member's Client's Holdings Pledged
22	Member's Client's Holdings Blocked Shares (B)
24	Member's Client's Holdings Locked-In Shares (L)

3. Member's (Participant) Special Accounts:

Account Types	Account Description English
25	Fiduciary
26	Fiduciary For Collateral
27	Member's Client's Holdings Lock-Up Period
28	Member's Client's Holdings Beneficiary

4. Member's (Participant) Combination Accounts:

Account Types	Account Description English
211	Fiduciary
214	Fiduciary For Collateral
218	Member's Client's Holdings Lock-Up Period
221	Member's Client's Holdings Beneficiary
224	Member's Client's Holdings Blocked-Locked In Shares (B,L)
225	Member's Client's Holdings Blocked-Locked In-Pledged Shares (B,L,P)
248	Member's Client's Holdings Locked-In Shares-Beneficiary
411	Member's Holdings Locked In-Pledged Shares (L,P)
421	Member's Client's Holdings Locked In-Pledged Shares (L,P)

E. BANKS' EMPLOYEES

1. OVERVIEW

As per Article 7 Paragraph (d) of Basic Circular No. 82 Basic Decision No. 7814 dated 11/05/2001 and amendments pursuant to Article 1 Intermediate Decision No. 9454 Intermediate Circular No. 124 addressed to Banks dated 09/11/2006 stipulates that Banks whose shares are traded on the BSE must obtain from BDL a prior authorization for their employees whether sellers or buyers of the shares in the following cases:

- *If the employee is in the "Senior Executive Management", as defined in the regulations issued by BDL.*
- *If the assignment leads to the acquisition by the employee of more than 1% of the bank's total shares.*
- *If the employee, whether as assignor or assignee, holds at the time of the assignment 1% or more of the bank's total shares.*

The above-mentioned rules shall apply whenever the assignor or assignee is the spouse or one of ascendants or descendants of the persons specified in this Paragraph.

The following are considered "Senior Executive Management" or as Midclear refers to as "Highest Executive Management" or simply "HEM", the chairman, the General Manager, the Assistant General Managers, Heads of the Bank's main departments and the responsible of the Specialization Committees.

2. SUBMISSION OF HEM INFORMATION

As per Article 2 Paragraph (3) of Law 308 dated 03/04/2001, the chairman, Members of the Board, General Managers, Assistant General Managers, their spouses and their minor children are prohibited from holding preferred shares, either directly or indirectly, or under the umbrella of a natural or moral person, or by any other means.
Therefore, Banks that issue preferred shares must provide Midclear with a List as described below, and provide updates every time there is a change. A copy of the minutes of meeting of the Board of Directors which appointed these persons should also be sent to Midclear.

Highest Executive Management

Shareholder Number	Employee Full Name	Position	Department	Appointment Date

3. SUBMISSION OF EMPLOYEES INFORMATION

The Banks whose shares are listed on the BSE must provide Midclear quarterly with a list of new employees who has been recruited and employees who left work during this period. The Human Resources department of the Bank will request temporary Shareholder numbers on the "CA Online" and send an email to the Registrar department at the end of each period containing an excel form (as in below format) along with the new employees' IDs in PDF format.

For the spouses, the ascendants and descendants of the employees who should also be identified, the Family Relation should be submitted on the "CA Online". Please refer to point ***2.5 Family Relations Requests*** of the ***ECA User Guide*** found on Midclear's website.

رقم الموظف وفقا لسجلات المصرف	رقم الموظف وفقا لشركة مايكلير	رتبة الموظف				الاسم باللغة العربية	اسم الأب باللغة العربية	الشهرة باللغة العربية	اسم الأم وشهرتها باللغة العربية	شهرة المتزوجة بعد الزواج باللغة العربية
Employee Number According to Bank's Register	Shareholder (Employee) Number According to Midclear	Functional Title	Department	Appointment Date	Departure Date	First Name (Arabic)	Father's Name (Arabic)	Last Name (Arabic)	Mother's Full Name (Arabic)	Family Name After Marriage (Arabic)

Midclear will confirm that the file was successfully processed in its database and will provide an electronic file for the Issuers containing all the details of all Employees, including the Employee Identification number at the Issuer level and the Shareholder Number allocated by Midclear.

III. OPERATIONS

The different types of operations that are executed in Midclear following instructions from the Participants are:

A. TRANSFERS

All Participants who have a SWIFT BIC CODE must send their transfer instructions to Midclear via SWIFT. A non-SWIFT Participant will send a Transfer Form to be provided to him by Midclear.

1. SWIFT MT542: DELIVERY FREE NO MATCHING

- Used to transfer shares from one Midclear participant account to another involving one shareholder
- Used to transfer the shares of a particular shareholder from one account type to another, for example from a *Member's Client's Holdings Free* to *Member's Client's Holdings Pledged* (Account Type 20 to Account type 21).

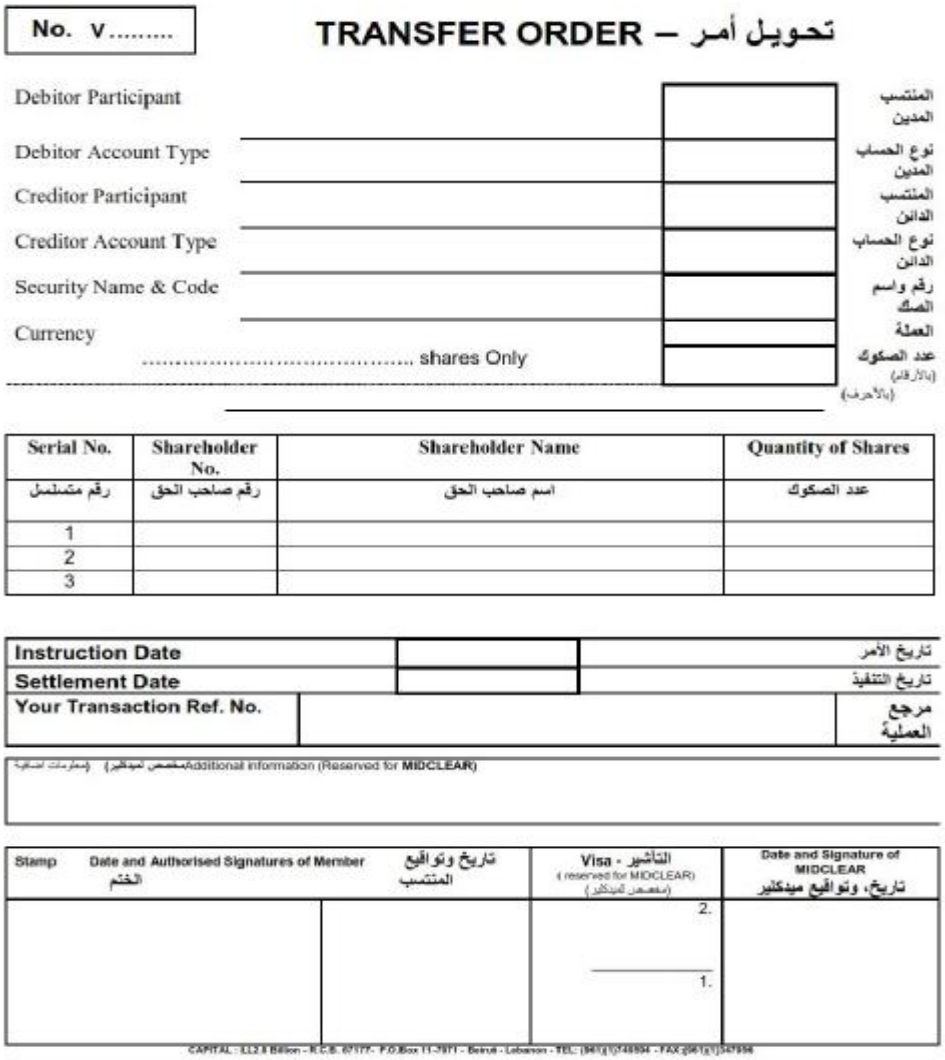
For more information about SWIFT Messages, please refer to our Midclear's Website/Rules & Procedures/Local Markets/SWIFT messages Templates.

MT542 DELIVER FREE

Sender: …….
Receiver: MIDRLBBEXXX
MIDCLEAR S.A.L
BEIRUT LB

:16R:GENL
:20C::SEME//MESSAGE-REFERENC
:23G:NEWM
:16S:GENL
:16R:TRADDET
:98A::TRAD//20080526
:98A::SETT//20080529
:90B::DEAL//ACTU/37,
:35B:ISIN LB0000010613
BYBLOS BANK COMMON SHARES LISTED
:16S:TRADDET
:16R:FIAC
:36B::SETT//UNIT/1,
:97A::SAFE//9100/PARTICIPANT CODE/ACCOUNT TYPE/SHAREHOLDER NUMBER
:16S:FIAC
:16R:SETDET
:22F::SETR// OWNE
:16R:SETPRTY
:95R::REAG/MIDR/COUNTERPARTY PARTICIPANT CODE/ COUNTERPARTY ACCOUNT TYPE
:16S:SETPRTY
:16R:SETPRTY
:95P::PSET//MIDRLBBE
:16S:SETPRTY
:16S:SETDET

2. TRANSFER ORDER FORM



No. v.....

TRANSFER ORDER – تحويل أمر

Debitor Participant		المنتسب المدين
Debitor Account Type		نوع الحساب المدين
Creditor Participant		المنتسب الدائن
Creditor Account Type		نوع الحساب الدائن
Security Name & Code		رقم واسم الصك
Currency		العملة
..... shares Only		عدد الصكوك (بالأرقام) (بالأحرف)

Serial No. رقم متسلسل	Shareholder No. رقم صاحب الحق	Shareholder Name اسم صاحب الحق	Quantity of Shares عدد الصكوك
1			
2			
3			

Instruction Date		تاريخ الأمر
Settlement Date		تاريخ التنفيذ
Your Transaction Ref. No.		مرجع العملية

Additional information (Reserved for MIDCLEAR) (معلومات اضافية) (مخصص لميدكلير)

Stamp الختم	Date and Authorised Signatures of Member تاريخ وتواقيع المنتسب	Visa - التأشير (reserved for MIDCLEAR) (مخصص لميدكلير)	Date and Signature of MIDCLEAR تاريخ، وتواقيع ميدكلير
		2. 1.	

CAPITAL : LL2.5 Billion - R.C.S. 67177 - P.O.Box 11-7871 - Beirut - Lebanon - TEL: (961)(1)748594 - FAX (961)(1)347896

B. CHANGE OF OWNERSHIP

Midclear executes the Change of Ownership on the value date provided by the Participant, after taking into consideration the legal aspect concerning the trading of the bank's shares with regards to the seller and buyer. The Issuer's bylaws states clearly whether shareholders have pre-emption rights or not. Whenever a shareholder wishes to sell his shares, the shares are first offered to the existing shareholders. If none of the existing shareholders exercise his right to buy, then the shares are offered to new shareholders.

On another note, Banks are not allowed to purchase their own shares whether listed or not listed. However, the Central Bank may grant a special annual renewable authorization to Banks whose shares are listed on the BSE to trade with its own shares for the sole purpose of contributing to the price stability in the official market and to prevent any significant price fluctuations. Therefore, there is a security account opened at Midclear dedicated to that purpose in the name of the Issuer.

In cases that require BDL prior approval*, the concerned bank will submit the request for approval to the Governor, before proceeding with the registration in Midclear. Midclear can refuse to register any trade that is not in compliance with BDL Laws and regulations. For Listed shares, since the trades are executed automatically on the books of Midclear on T+3, any breaches of the provisions of the Laws and BDL circulars will be reported to the Governor by Midclear. On another note, Back-valuation is not permitted.

*Mainly:

- When the subscriber or the assignee acquires directly more than 5% of the total shares of the Bank or of the voting rights, whichever is higher.
- When, upon assignment of the shares, the assignee holds 5% or more of the total shares of the Bank or of the voting rights, whichever is higher.
- The above-mentioned portion of 5% includes the participation of the spouse and minor children, as well as the participation of any economic entity, as defined in the regulations issued by the Banque du Liban.
- Apart from the number of assigned shares, when the assignor or the assignee is a Member or Member-elect of the Board.

In case a Participant is executing a Change of Ownership affecting another Issuer's security, Midclear will require an approval letter from that Issuer.

There are four types of operations that Midclear is allowed to execute on listed securities outside the BSE. All these operations do not involve cash (this only applies to securities that are listed and registrar is held at Midclear):

- Donations (between direct relatives)
- Inheritance
- Transactions between two legal entities, the shares of one of them being listed on the Stock Exchange, when one of the two owns at least 20% of the other's capital.
- Change of Name for Individuals or Entities.

Every time a Change of Ownership is executed, Midclear provides a "Statement of Ownership" upon the Participant's request.

The execution of a Change of Ownership as a result of:

1. **<u>TRADING NOT LISTED SHARES</u>:**

    a. The transferor (Debitor BO) and the transferee (Creditor BO) instruct their respective custodians (Participants at Midclear) to execute a change of ownership after submitting a contract signed by both parties.

    b. The participant who holds the securities in its custody will verify, on its own and full responsibility, the fulfillment of legal and regulatory conditions (shareholders' preemptive right, Board of Directors' approval...) and the accuracy of the information that he will communicate to Midclear regarding the assignment of shares.

c. The participant submits the following documents to the Registrar:

- A copy of the *deed of assignment of shares, by virtue of which the securities are transferred, dated and signed by both seller and buyer. The contract should mention their full addresses (P.O. Box, phone numbers, fax, e-mail address) and all the assignment terms, particularly the price, along with any other document which at the discretion of the Registrar may be required, as appropriate.

  NB: There are at least five requirements for the deed of assignment of shares to be legal and binding:
  Offer: is what a party agrees to either do or not do upon signing the contract.
  Acceptance: the person receiving the offer agrees to the conditions of the offer.
  Consideration: is what one party will pay to complete the contract.
  Competency: Parties signing the contract must be competent, meaning that they are of legal age to sign a contract and have the mental capacity to understand what they are signing.
  Legal intent: The terms of the contract must adhere to the laws and regulations in the country where the contract was signed.

- A Change of Ownership Form (Form 2) duly signed and stamped by the Debitor Participant.

2. **DONATION LISTED SHARES**:

a. An original "Donation Contract" be signed between direct relatives, be duly notarized and sent by the transferor Participant to Midclear along with the shareholders' IDs.
b. An Original or conform copy of original signed & stamped by the Participant of the Ministry of Finance's tax receipt (ترخيص لمديني التركات)
c. Midclear submits the document to the BSE for approval.
d. Midclear executes the transaction in the books by means of a duly signed and stamped Change of Ownership Form.

3. DONATION NOT LISTED SHARES:

a. A "Donation Contract" be signed between direct relatives, be duly notarized and sent by the transferor Participant to Midclear along with the shareholders' IDs.
b. An Original or conform copy of original signed & stamped by the Participant of the Ministry of Finance's tax receipt (ترخيص لمديني التركات)
c. Midclear executes the transaction in the books by means of a duly signed and stamped Change of Ownership Form.

*Footnote:

As per the Ministry of Finance Circular No. 267/1 dated 22/04/2021 relating to conditions for exempting the sale of shares and debt securities from the fiscal stamp fee, any "Change of Ownership Form 2" sent to Midclear should be followed by a duly stamped copy (not original copy and stamps currently at the rate of 4/1000), of the contract evidencing the sale of shares or subordinated bonds or notes or banks' certificate of deposits etc… except for BDL CDs which remain exempted from the fiscal stamp fee.

4. INHERITANCE OR WILL FOR LISTED AND NOT LISTED SHARES

In order to register an off-exchange transfer of securities due to inheritance or will, the following procedure is implemented:

a. The Participant should inform Midclear about the death of a shareholder by sending Midclear a copy of the death certificate or a certified true copy of the enforceable Succession Deed issued by the court evidencing the death of a Shareholder.
b. The registrar will update the shareholder's account to reflect the date of death and flag the account.
c. Upon the Participant's request, the Registrar will issue two Statements of Ownership to be delivered to the Ministry of Finance Tax Department: One stating the quantity of shares held by the deceased on the time of death and the other, stating the quantity of shares held as of the date of the request.
d. Value of the shares at the time of death:
    - For listed shares, the Participant should request an official statement from the BSE stating the market price of the shares at the time of death.
    - For not listed shares, the Participant should request an official statement from the Issuer who provides the value of the shares at the time of death.
e. The heirs should do the necessary steps requested by the Ministry of Finance for the payment of the Inheritance taxes.
f. The Participant sends the following to the Registrar for immediate execution:
    - A Change of Ownership Form containing the distribution of shares amongst the heirs.
    - An original certified true copy of the enforceable Succession Deed issued by the court or conform true copy signed and stamped by the participant
    - An original certified true copy of the Ministry of Finance's tax receipt or conform true copy signed and stamped by the participant
    - The heirs IDs and contact information. The Participant must apply for shareholders numbers for the heirs on the "CA Online".

In the case a will exists, the Participant will provide Midclear with a certified true copy of the enforceable decision issued by the competent court approving the shares distribution according to the will, and the change of ownership containing the distribution of shares amongst the heirs.

If the deceased shareholder is not a Lebanese national and the Succession Deed was issued in the shareholder's country of origin, then the heirs should make an exequatur procedure for the Succession Deed except for Syrian Nationals, who, in accordance with the provisions of the Judicial Agreement between the Governments of Lebanon and Syria dated 25/02/1951 and ratified by Law dated 27/10/1951, are exempt from making an exequatur procedure and therefore, every judgment, whether civil or commercial, issued by any court in one of the two countries, will have power and will be implemented in either countries.

IMPORTANT:

Law 379 published on 07/11/2017 which includes a legislative decree No. 66/2017 Article 53 allows the transfer of shares owned by the shareholders who died before 13/10/1994 to their heirs free of tax.

5. NEGOCIABLE DEBT SECURITIES

Negotiable debt securities of all kinds and types, only requires a duly signed and stamped change of Ownership Form request from the transferor Participant.

6. CHANGE OF NAME

If the Shareholder is an Individual, Midclear will simply modify the name of the Shareholder in the books and will add a note, visible to Midclear only, with the details of the change. If the Shareholder is a company, Midclear will execute a change of ownership from the old name to the new name, thus from the old shareholder number to a new shareholder number (voting right will not be affected) after the Participant submits to Midclear all the relevant necessary legal papers proving the change.

The Participant should provide Midclear with:

a. A new temporary shareholder number on the "CA Online".
b. Individual:
   - A certified true copy of the Court verdict allowing the change of name of the Individual, and a new civil extract showing the new name of the Individual.
c. Company
   - The resolutions taken at the General Assembly Meeting duly registered at the Commercial Register for the company who is changing its corporate name along with a new Certificate of Commercial Registration and the amended Bylaws.
d. Bank:
   - When a Bank wants to change its name, it should publish a notice to attend an Extraordinary Shareholders Meeting in two local newspapers at least two weeks before the meeting and the BSE bulletin in case it is listed. The Meeting's resolutions are sent to the BDL Central Council for approval. Once approved, the Governor of BDL will issue a decision approving the change.
   - The BSE requires the Issuer whose shares are listed on the BSE to file the necessary supporting documents; those include the resolutions taken at the General Assembly Meeting, duly registered at the Commercial Register, and BDL and Governor's approvals. The BSE will issue a circular regarding the change and will publish it on its website effective immediately. Concurrently, Midclear will reflect the change in its books provided that all relevant necessary supporting documents listed above have been submitted to Midclear.

7. SWIFT MT541 AND MT543

All instructions via MT541 (Receipt Against Payment) and MT543 (Delivery Against Payment) involving a Change of Ownership (i.e Transfer of Not Listed Registered Nominal Shares from one shareholder to another), are handled by the Local Market Department at Midclear, after verification from the Registrar department.

The following must be added to the swift in the settlement details sequence **(SETDET)** in addition to field: 22F::SETR//TRAD:

:22F::BENE//YBEN (which indicates a change of beneficial ownership)

8. USUFRUCT (BENEFICIARY)

A usufruct is a legal right accorded to a person or party that confers the right to use and derive income or benefit from someone else's property or shares.

For both Listed and Not Listed shares, Midclear requires that the Participant sends:

- The Agreement signed between the Usufruct (the Beneficiary) and the bare shareholder, constituting the usufruct on the securities, and authenticated by the Participant.
- A Transfer order through SWIFT MT542 (Delivery Free No Matching) debiting the *Member's Client's Holdings Free (20)* account and crediting the *Member's Client's Holdings Beneficiary (28)* for the bare shareholder.

Following the submission of the above documents, the Registrar makes an entry indicating the usufruct on the shares in the Participant's account and delivers a statement of account to the Participant:

MIDCLEAR Registrar

Shareholders Account Beneficiaries Report

Date : 05/12/2019
Time :12:50:11PM

Account	Beneficiary	Name	Quantity Shares	Quantity Votes	Last Mvt Date	Last Value Date
3343 - LB0000033441 - Blom Bank S.A.L. "Listed"						
Bare Shareholder - ACC - 28		XYZ	1,000	2,000	04/10/2010	06/04/1999
	Usufruct	ABC	1,000	2,000	04/10/2010	06/04/1999 *

*These balances do not represent actual holdings in the above issue. They represent rights to corporate actions and votes respectively given to this shareholder who is a beneficiary of the above account.

Midclear also delivers to the Issuer the reports showing the creation of a usufruct on its securities.

In the event of the death of the usufruct shareholder, full ownership of the shares is carried over to the bare owner without any liability for inheritance tax.

According to Article 116 of the New Code of Commerce (Law 126), the attendance and voting in the Ordinary General Meetings belong to the Usufruct (the Beneficiary), and the voting in the Extraordinary General Meeting belong to the owner of the share (bare shareholder). Nevertheless, the Usufruct and the bare shareholder, by virtue of the terms of the contract which have been set out on their responsibility, could violate the provisions of Article 116 on condition that such Agreement has been duly registered at the Commercial Register and notified to the company and Midclear.

If new securities arise (resulting from any corporate actions) from the ones already encumbered, the usufruct will not extend to the new securities unless such provision has been made in the usufruct agreement.

9. CHANGE OF OWNERSHIP FORM

MIDCLEAR S.A.L. ميدكلير ش.م.ل

No. A

CHANGE OF OWNERSHIP (FORM 2)

نقل ملكية الاسهم العادية غير المتداولة في الاسواق المالية المنظمة (نموذج ٢)

Debitor Participant		المنتسب المدين
Creditor Participant		المنتسب الدائن
Security Name&Code		رقم واسم الصك
Currency		العملة
Total Cash		المبلغ الإجمالي
Total Quantity of Shares (in numbers)		اجمالي عدد الصكوك(بالارقام)
(in letters)		(بالأحرف)

Instruction Date		تاريخ الأمر
Settlement Date		تاريخ التنفيذ
Your Transaction Ref. No.		مرجع العملية

Additional Information (Reserved for **MIDCLEAR**) معلومات اضافية (مخصص لميدكلير)

Stamp الختم	Date and Authorised Signatures of Member تاريخ وتواقيع المنتسب	Visa - التأشير (reserved for MIDCLEAR) (مخصص لميدكلير)	Date and Signature of MIDCLEAR تاريخ، وتواقيع ميدكلير
		2. 1.	

Debitor BO no.	Debitor Account Type	Debitor Beneficiary no. for Dividends	Debitor Beneficiary no. for Votes	Res. Y/N	Creditor BO no.	Creditor Account Type	Creditor Beneficiary no. for Dividends	Creditor Beneficiary no. for Votes	Res. Y/N	Quantity of Shares	Cash Amount
رقم حساب المودع	نوع الحساب	رقم حساب المستفيد من الأرباح	رقم حساب المستفيد من التصويت	محفوظ Y/N	رقم حساب المودع	نوع الحساب	رقم حساب المستفيد من الأرباح	رقم حساب المستفيد من التصويت	محفوظ Y/N	الكمية المنقولة	المبلغ

C. REGISTRATION OF A PLEDGE/UNPLEDGE

1. EQUITY SECURITIES

This paragraph is governed by Banque du Liban Intermediate Circular No. 298 Intermediate Decision No. 10986 dated 30/04/2012 *(Basic Circular No. 81 Basic Decision No. 7776 dated 21/02/2001 on Operations relating to Credit, Investment, shareholding and participation)* which stipulates that:

"Lebanese Banks and Financial Institutions are prohibited from (.....) granting their customers credits against a guarantee consisting in more than 5% of shares of Lebanese Banks and Financial Institutions, unless Banque du Liban has already been notified and provided with a copy of the intended mortgage contract or usufruct contract, as well as the estimated value of the concerned shares based on their market price. Banque du Liban may, within a period of one month, object to the recording of the mortgage or usufruct right on these shares".

Pledge Agreements should contain the following:

- Market value of the shares
- The date on which the credit facility was given to the client
- A correct date from a Notary Public
- Original copy duly signed by the Pledgee and the Pledgor to Midclear

Accordingly, BDL will grant its approval for any pledge of shares exceeding 5% of the total shares of a particular Bank. In the case where a period of one month elapses without getting any feedback from BDL, then Midclear can register the Pledge in its books.

The procedure for submitting the Pledge Agreement to Midclear is as follows:

- The Participant representing the Pledgor (i.e the owner of the shares to be pledged for fulfillment of the contract) or the Pledgee (i.e the Beneficiary of the Pledge) sends the original copy of the Pledge Agreement to Midclear.
- Case 1: Shares are in the Pledgor Account
  - Midclear transfers the shares from the Pledgor account "*Member's Client's Holdings Free*" to its "*Member's Client's Holdings Pledged*"
- Case 2: Shares are in the Pledgee Account
  - the Pledgee must send an MT542 to transfer the shares to his own account "*Member's Client's Holdings Pledged*".
- Midclear sends all the confirmations of the shares pledge including a statement called "**CERTIFICATE OF REGISTRATION OF A PLEDGE"** in three original copies to the pledgee:
  - One to be kept by the pledgee
  - One to be sent to the pledgor shareholder
  - The third original copy is to be returned to Midclear duly signed as acknowledgment of receipt
- Midclear informs the Issuer by sending reports showing the movement of shares in the books as well as a copy of the Certificate mentioned above.
- The shares shall only be unpledged when the Beneficiary of the Pledge (Pledgee) instructs Midclear to free the shares.
- Unpledge Case 1: Shares are in the Pledgor Account

  - Midclear transfers the shares from the Pledgor Pledged account "*Member's Client's Holdings Pledged*" to its "*Member's Client's Holdings Free*"
- Unpledge Case 2: Shares are in the Pledgee Account
  - the Pledgee must send an MT542 to transfer the shares to his own account "*Member's Client's Holdings Free*".
- Midclear sends all the confirmations of shares unpledge including a statement called "**UNPLEDGE OF SHARES CERTIFICATE"** in three original copies to the pledgee:
  - One to be kept by the pledgee
  - One to be sent to the pledgor shareholder
  - The third original copy is to be returned to Midclear duly signed as acknowledgment of receipt
- Midclear informs the Issuer by sending reports showing the movement of shares in the books as well as a copy of the Unpledge Certificate mentioned above.

Pledge Agreements between individuals (where Pledgor and Pledgee are both individuals) can be registered at Midclear and are being represented by their respective participants.

In the event that the debt is not paid by the Pledgor, and pursuant to Article 120 of the Code of Money and Credit Law (قانون النقد والتسليف), the Pledgee may file a forced sale request to the First Instance Court to recover the debt due by the Pledgor. The Banking Control Commission grants an administrative approval for the transfer of the shares in the name of the Pledgee. According to Article 154 of the Code of Money and Credit, the pledgee should arrange to sell these shares within a period of two years starting from the date of approval of the BCC. The Pledgee should also abide by the regulations set forth in BDL Basic Circular No. 78 dated 21/12/2000.

The sale of the securities whether on the BSE for listed shares or through a Change of Ownership at Midclear for Not Listed shares will follow the normal clearing procedure.

In the case of an Issuer's Capital increase through issue of new shares, the pledge extends to any shares arising from the ones already pledged, only if provision for this has been made in the Pledge agreement signed by the parties.

2. DEBT SECURITIES

Debt securities could be Bonds, Subordinated Bonds, Notes, Units etc…

Pledge Agreements should contain the following:

- Market value of the Debt Securities
- The date on which the credit facility was given to the client
- A correct date from a Notary Public
- Original copy duly signed by the Pledgee and the Pledgor to Midclear

The procedure for submitting the Pledge Agreement to Midclear is as follows:

- The Participant representing the Pledgor (i.e the owner of the Debt Securities to be pledged for fulfillment of the contract) or the Pledgee (i.e the Beneficiary of the Pledge) sends the original copy of the Pledge Agreement to Midclear.
- Case 1: Debt Securities are in the Pledgor Account
  - Midclear transfers the Debt Securities from the Pledgor account "*Member's Client's Holdings Free*" to its "*Member's Client's Holdings Pledged*"

- Case 2: Debt Securities are in the Pledgee Account
  - The Pledgee must send an MT542 to transfer the Debt Securities to his own account "*Member's Client's Holdings Pledged*".
- Midclear sends all the confirmations of the Debt Securities pledge including a statement called "**CERTIFICATE OF REGISTRATION OF A PLEDGE"** in three original copies to the pledgee:
  - One to be kept by the pledgee
  - One to be sent to the pledgor shareholder
  - The third original copy is to be returned to Midclear duly signed as acknowledgment of receipt
- Midclear informs the Issuer by sending reports showing the movement of the Debt Securities in the books as well as a copy of the Certificate mentioned above.
- The Debt Securities shall only be unpledged when the Beneficiary of the Pledge (Pledgee) instructs Midclear to free the Debt Securities.
- Unpledge Case 1: Debt Securities are in the Pledgor Account
  - Midclear transfers the Debt Securities from the Pledgor Pledged account "*Member's Client's Holdings Pledged*" to its "*Member's Client's Holdings Free*"
- Unpledge Case 2: Debt Securities are in the Pledgee Account
  - the Pledgee must send an MT542 to transfer the Debt Securities to his own account "*Member's Client's Holdings Free*".
- Midclear sends all the confirmations of Debt Securities unpledge including a statement called "**UNPLEDGE OF SHARES CERTIFICATE"** in three original copies to the pledgee:
  - One to be kept by the pledgee
  - One to be sent to the pledgor shareholder
  - The third original copy is to be returned to Midclear duly signed as acknowledgment of receipt
- Midclear informs the Issuer by sending reports showing the movement of the Debt Securities in the books as well as a copy of the Unpledge Certificate mentioned above.

3. PLEDGE/UNPLEDGE VERSUS PAYMENT

Participants can opt to elect Midclear as a third party intermediary to make payment for a new Pledge on securities that are already pledged. This case occurs when the Pledgor chooses to refinance his debt by paying the Pledgee the full amount of the debt and pledges the same shares to another Pledgee.

In order for Midclear to execute a Pledge/Unpledge against payment, the below mentioned instructions and Agreements should be sent to Midclear at least 2 business days before the closing date:

- Original notarial copy of the Pledge agreement duly signed by the Pledgee and the Pledgor.
- An official letter from the new Pledgee duly signed by authorized signatories or a SWIFT Message type MT599, irrevocably instructing Midclear to pledge the shares in his favor against full payment of the funds to the old Pledgee on the closing date.
- The new Pledgee should
  - transfer the funds to Midclear's sub-account opened at Banque du Liban one day before the closing date (avoiding Fridays because of the early cut-off times imposed by BDL)
  - send a copy of the Payment Instruction details to Midclear.
- The counterparty i.e the former Pledgee will irrevocably instruct Midclear to unpledge the shares against receipt of the funds to their Banque du Liban account on the closing date.

- Both instructions should mention:
  - The shareholder's number and full name
  - The shares description
  - The Share's ISIN Code
  - The Shares' Quantity
  - The Participants account numbers in which the Pledge/Unpledge should occur.
- On closing date, Midclear executes the instructions and sends all the confirmations of shares pledge and unpledge as well as the statements "**CERTIFICATE OF REGISTRATION OF A PLEDGE"** and "**UNPLEDGE OF SHARES CERTIFICATE"** in three original copies:
  - One to be kept by the pledgee
  - One to be sent to the pledgor shareholder
  - The third original copy is to be returned to Midclear duly signed as acknowledgment of receipt
- Midclear informs the Issuer by sending reports showing the movement of shares in the books as well as a copy of the Certificates mentioned above.
- Midclear charges a commission fee on this type of pledge/unpledge transaction.

D. BLOCKING/UNBLOCKING OF SHARES

Since the enactment of Law 75/2016 regarding the cancellation of Bearer shares, the blocking of securities is no longer a requirement to participate in the Issuer's general assembly meetings.

1. LOCK-UP PERIOD

The Issuer may request Midclear to block shares for various reasons. One of which could be to block and Lock-up the shares for a certain period of time. In this case, a file, in excel form, is sent by the Issuer on its sole responsibility to Midclear, accompanied by a printed list signed by the Issuer's legal representatives with the explicit declaration that the shares are to be registered in the Blocked Account of the Issuer or the Participant of his choice.

This file contains a list of beneficiaries to which the shares must be transferred from the shareholder's free account to the shareholder's blocked account under the Issuer's or the Participant's main account and must contain the following details:

- The Shareholder Number
- Security Local Code
- Account type
- The date of blocking
- Quantity of shares Blocked

The shares are deposited into an account entitled "*Broker's Clients' Holdings Lock-up Period*", where the shareholders' holdings will be blocked and locked-up until a certain period of time. If the Issuer is a Beneficiary on the shares, then he will be linked to these accounts. During the Lock-up period, the shares are not tradable.
On the date of unblocking of the shares, the Issuer sends Midclear a written instruction to unblock the shares.

2. LIENS

Midclear is informed directly by the Court of all Judgment Liens granting a creditor an interest in the debtor's stocks. As per Article 889 of the Code of Civil Law, Midclear must inform the Court, within five days that the lien has been registered in the books and that the shares have been transferred to a blocked account. The Issuer is notified of the registration of the Lien by receiving reports showing the movement of shares in the Shareholders' Registry.

In the case of a reduction in the number of shares due to a reverse split, or an increase in the number of shares due to a stock split, the blocked shares will be subject to a proportionate reduction or increase, and Midclear will file the change to the Court accordingly.

3. RIGHTS & ENCUMBRANCES

An Issuer or a Participant may request the Registrar to register a claim against a shareholder's shares through a written declaration in the form of a letter, an agreement or Notary public notification. The right or encumbrance can restrict the shareholder's ability to sell or transfer, grant an option to sell, encumber or pledge the shares registered in his name.

Depending on the case, Midclear shall register the rights of the claimant in the Issuer's books held by Midclear and transfer the shares into the Participant's blocked account favor the claimant.

The shares cannot be freed or the block lifted without the prior written consent of the claimant, being either the Issuer or the Participant, for the period in which the Agreement is in full force and effect.

Since the blocking applies only to those securities specified in the declaration, the blocking will not extend to new additional shares arising from a capital increase unless the declaration states otherwise.

In the case of a reduction in the number of shares due to a reverse split, or an increase in the number of shares due to a stock split, the blocked securities will be subject to a proportionate reduction or increase.

The claimant is provided with a statement of Share blocking. The Issuer or Participant is notified of the registration of the right or encumbrance through reports showing the movement of shares in the Shareholders' Registry.

IV. GENERAL ASSEMBLY MEETINGS

Prior to any forthcoming Shareholders' Meeting, the Issuer shall communicate with the Registrar Department via email at the Registrardept@midclear.com.lb. This communication will include the Notice distributed to shareholders, detailing essential Agenda items. Additionally, the email will specify the requisite number of original copies of the Attendance list.

The Registrar Department will furnish the Issuer with the Shareholders' Attendance List. This document will accompany the resolutions of the General Assembly Meeting and will encompass shareholder numbers, shareholder names, quantities of shares held and corresponding voting rights.

The minutes of meeting must be expeditiously provided to the Registrar Department within 15 days following the date of the relevant decisions made by the Issuer's competent body.

Failure to notify Midclear of the aforementioned decisions within the stipulated timeframe will result in an automatic penalty fee imposed by Midclear. This fee accrues for every 15-day delay, with two charges per month during the initial month and subsequently one charge per month until the receipt of the Minutes of Meeting. However, justification for such delays may be submitted via email to the Registrar Department.

General Assembly Meetings encompass three distinct types:

A. ORDINARY GENERAL ASSEMBLY MEETINGS

The annual Ordinary General Assembly Meeting convenes once per year. During this meeting, the Board of Directors presents an annual report detailing the Issuer's performance, strategic initiatives, annual financial statements, and the declaration of dividend payments (if any). Moreover, the Board appoints both the company's Board of Directors and the Auditors.

Upon registration of the minutes of the meeting at the Commercial Register, a copy must promptly be forwarded to Midclear, particularly in instances involving Board of Directors' elections or resignations, adhering to Midclear's imposed deadline. Should there be any delay, Midclear may accept a non-registered copy of the minutes, provided that the duly registered version is subsequently submitted, thereby deactivating any automatic penalty charges.

Upon receipt of the duly registered minutes from the Commercial Register, and in the event of new Board Member elections, Midclear facilitates the transfer of the new Board Members' free shares to the *Member's Client's Holdings Locked-In Shares* (L) (Account type 24), provided that the Board Member is already a shareholder of these shares. For Banks' shares, if the Board Member is not yet a shareholder, prior approval from the BDL is necessary for Banks' shares and Financial Institutions. In cases of Board Member resignations, Midclear notes to release the blocked shares once the Issuer discharges the Board Member for the previous fiscal year. The former Board Member retains the ability to sell their shares; however, the effective transfer of shares awaits confirmation from the OGM upon providing the discharge. An indication will be made on the Attendance List acknowledging that the Ex-Board Member sold their shares, with the shares remaining registered in their name until the OGM grants discharge for the previous fiscal year.

By virtue of Law 126 dated 29/03/2019, amendments have been made to several Articles of the Code of Commerce, notably:

- If there exists both a usufruct holder and bare shareholder for the shares, the bare shareholder is exclusively authorized to serve as a Member of the Board of Directors, unless explicitly stated otherwise in the agreement between the parties.
- The Ordinary General Assembly is empowered to elect Board Members from among both shareholders and non-shareholders. Consequently, amendments to various Articles of the Issuers' Bylaws are required for this purpose.

B. EXTRAORDINARY GENERAL ASSEMBLY MEETINGS

Among the resolutions that may be adopted during an Extraordinary General Assembly Meeting, which could significantly impact the registration in the Issuer's Shareholders' Registry, are as follows:

- Capital Increase
- Capital Reorganization
- Stock split
- Reverse Stock split
- Amendment of the bylaws
- Change of Corporate Name
- Listing/Delisting of Securities*

*It is noteworthy that according to BDL Basic Circular No. 82 Basic Decision 7814 dated 11/05/2001 Addressed to Banks, Lebanese Banks are mandated to list no less than one-third of their total outstanding shares. Any such listing, as well as subsequent listings, necessitates approval from the shareholders' Extraordinary General Meeting and must be submitted to BDL for further approval.

The procedure for implementing the aforementioned events is elaborated upon in Section V below.

C. ORDINARY GENERAL ASSEMBLY MEETINGS HELD EXCEPTIONALLY

A General Meeting convened exceptionally serves to address urgent matters that cannot be deferred until the subsequent Annual Shareholders' Meeting. Such matters may include:

- The dismissal or appointment of an executive or a Board Member.
- Legal affairs requiring immediate attention.
- Other pressing matters of significance.

V. CORPORATE ACTIONS

For the Registrar Department to proceed with a Corporate Action, several documents are requisite, along with clearance from the Beirut Stock Exchange (BSE) for all listed shares, and from the Banque du Liban (BDL) for both listed and unlisted Banks' shares. The Issuer is responsible for notifying the Registrar Department of the intended action. If the security subject to the Corporate Action is listed on the BSE, the notification must additionally be published on the BSE website.

Notification to Midclear must be made through resolutions adopted at the Shareholders' Extraordinary General Assembly Meeting. These resolutions should comprehensively detail the corporate action, including a thorough description of the procedural stages and an estimated timeline for the changes resulting from the action to take effect. The Issuer is required to inform Midclear of the ex-dividend date and the record date. The ex-dividend date is set two business days prior to the record date, with the record date scheduled at least three business days after the General Assembly Meeting. Shareholders must purchase stock at least three business days before the Record Date or one day prior to the Ex-dividend date to ensure registration in the books.

In instances where approval from the Capital Market Authority (CMA) is mandated by law and regulations (specifically Series 7000) for the listing of new securities or additional allotments of securities to existing security holders in proportion to their current holdings, the Issuer must promptly notify the Registrar Department upon obtaining such approval. The Issuer may seek listing for various types of securities, including common equity shares, preferred shares, warrants, debt securities, units of collective investment schemes (closed-end), and others deemed suitable for listing by the Authority.

As per CMA Series 7000 Regulations, listing requirements and application procedures do not apply to debt securities or treasury bills issued by the Government of Lebanon, public institution debt securities guaranteed by the Government of Lebanon, and securities issued by public utility companies.

The Issuer bears full responsibility for timely, complete, and accurate notification of corporate actions to the Registrar Department.

Any action initiated by the Issuer will impact its Shareholders' Registry, particularly:

- Capital Increase
- Capital Reorganization
- Stock split
- Reverse Stock split
- Amendment of the bylaws
- Change of Corporate Name

The Issuer may be a bank, a company, a fund, the Banque du Liban (BDL), or the Lebanese Government (Ministry of Finance).

Midclear disseminates details of executed corporate actions to the market by sending emails to its participants.

Distributions of cash dividends, interests, principal redemptions, or similar events involving cash are managed by the Corporate Action Department at Midclear. Refer to the *Operating Rules of the Corporate Actions Department* available on our website for further information

A. CAPITAL INCREASE

A Capital Increase may be executed through several methods:

- Issuance of free common shares: distribution of bonus shares pro-rata among existing shareholders.
- Issuance of common shares with cash payment: offering common shares in exchange for monetary consideration.
- Issuance of Preferred shares: issuing shares with preferential rights over common and priority shares.
- Issuance of common shares resulting from Stock Option Plans: Allocating shares to employees or executives through stock option plans.
- Increase of the Par Value per share: raising the nominal value of each share.

Pre-emption Rights:
The Shareholders' Extraordinary General Assembly Meeting, responsible for increasing the Issuer's capital, may grant or deny pre-emption rights to shareholders. If existing shareholders do not fully exercise their pre-emption rights, the opportunity to subscribe is extended to new shareholders.

Encumbrances and Blockings:
Newly issued shares may be encumbered or blocked if documentation provided to Midclear explicitly states such restrictions on future share issuances.

There are no cases of a Corporate Actions executed in Midclear where the final beneficiaries are not known to the Issuer, except for the Fiduciary Accounts, where the shares are held in the name of Banks and Financial Institutions on behalf of their clients for either listed or not listed companies on the BSE. As per Law 308, banking shares are not to be held in Fiduciary accounts.

1. DISTRIBUTION OF FREE COMMON SHARES THROUGH CAPITALIZATION OF RESERVES OR RETAINED EARNINGS

The process involves:

- Publicizing the notice to attend an Extraordinary Shareholders Meeting in local newspapers (at least two weeks before the meeting) and the BSE bulletin (for listed Issuers).
- For Companies: The transmission of any requested documentation to Midclear for execution, including the minutes of the initial Extraordinary Shareholders Meeting, and the minutes of the subsequent EGM validating the capital increase, following registration at the Commercial Register. The Registrar department verifies shareholders' ownership on the record date and ensures strict adherence to pro-rata distribution.
- For Banks: Forwarding the minutes of the meeting to Midclear and BDL pre-registration at the Commercial Register. Once BDL grants its approval, a subsequent Extraordinary Shareholders Meeting will be conducted to validate the capital increase, where the Registrar department at Midclear verifies shareholders' ownership on the record date and ensures adherence to pro-rata distribution.

Calculation and Distribution:

Midclear calculates and provides the distribution electronically using an allocation algorithm. The algorithm rounds fractions of securities up for 0.5 and down for less than 0.5. If the total number of shares, after rounding, is greater than the total issued shares, then more rounding down will take place to reach the exact total number of issued shares. If the total number of shares, after rounding, is less than the total issued shares, then more rounding up will take place to reach the exact total number of issued shares. The issuer may exercise discretion for rounding up or down in some cases.

Process Workflow:

- Midclear sets up the Corporate Action (CA) on "CA Online" and notifies the issuer via email upon activation.
- The issuer or its agent submits shareholders' distributions on "CA Online" and may download the entered data for review.
- On the deadline, the Issuer submits the CA for checking by Midclear, who performs a final check and provides an official list to be used in the Extraordinary General Meeting (EGM) validating the capital increase.
- If the Issuer is a Bank, then this same list will also be validated by Banque du Liban Legal Department prior to the EGM meeting.

Listing Procedure:

- If shares are to be listed, the Issuer files an "Application for an Additional Listing" with the BSE, which coordinates with Midclear for timing and approval.
- For Banks, approvals and clearance from BDL which are communicated to Midclear are needed before proceeding with the distribution of the shares to the shareholders.
- Upon approval, the BSE issues a circular and sets a date for trading new stocks.
- For unlisted shares, Midclear credits shares post-BDL clearance for Banks, without further BSE communication.

Bonus stocks do not require the CMA’s approval.

2. ISSUANCE OF COMMON SHARES WITH CASH PAYMENT

Meeting Notice Publication:

An official notice for attending an Extraordinary Shareholders Meeting must be published in two local newspapers at least two weeks before the meeting, along with the BSE bulletin for listed issuers.

For companies, the minutes of the meeting, wherein the decision to increase capital through the issue of common shares, should be registered at the commercial register, with a copy sent to Midclear. For Banks, these minutes are forwarded to BDL for approval and a copy to Midclear for information.

Subscription Call and Periods:

The Issuer publishes an Official Call for Subscription in newspapers, setting subscription periods on an irreducible and reducible basis. If current shareholders do not fulfill the required amounts, new shareholders may subscribe during a third period.

Shareholder Verification and Allocation:

Midclear verifies shareholders on the record date in proportion to their holdings and electronically calculates subscription quantities for irreducible basis shareholders using an Allocation algorithm.

If subscription is complete, no additional periods are needed. If undersubscribed, a second period opens for reducible basis. If still undersubscribed, a third period allows subscriptions from new shareholders.

Temporary shareholder numbers are requested for new subscribers, if applicable, to be submitted on Midclear online System.

This procedure is to be done period by period, if the CA is composed of more than one period.

CA Setup and Modification:

Midclear sets up the Corporate Action (CA) on "CA Online". The Issuer continues to modify subscriptions as necessary (e.g., over/under subscription) before submitting the CA for Midclear's checking.

Daily Inspection and Finalization:

Midclear downloads CA details daily for inspection, ensuring compliance with defined limits such as the 5% threshold for Bank shares.

An exceptions list is produced for the Issuer to address online. After resolving exceptions, the Issuer approves the CA for Midclear's final checking.

Final Approval and EGM Preparation:

Upon Issuer approval, the CA is considered finalized, and Midclear is notified. Midclear performs a final check and produces an official list for the Issuer to use in the Extraordinary General Meeting (EGM) validating the capital increase.

A notice for attending a second EGM is published by the Issuer to verify the capital increase's validity and ascertain payment. For Banks, this list is also validated by Banque du Liban Legal Department before the EGM.

Post-Validation Process:

Subscriptions are not immediately reflected in the Issuer's Registry held by Midclear. They will be credited to shareholders' accounts after Midclear receives clearance from BDL or BSE, as applicable.

Issuers not categorized as Banks or listed companies send meeting validation minutes to Midclear for execution post-registration at the Commercial Register. After this, Issuers cannot modify CA contents and must finalize and approve the CA, by following the steps mentioned in the USER GUIDE specifically points **2.7.2 and 2.7.4** regarding approving and finalizing the CA. These steps are done once Midclear credits the Shareholders' accounts at the Participants' level.

Listing Procedure:

If shares will be listed, the Issuer files an "Application for an Additional Listing" with the BSE, coordinating with Midclear on timing and approval.

Upon approval, the BSE issues a circular and sets a date for trading the new stocks.

3. ISSUANCE OF PREFERRED SHARES

Regulatory Framework:

Pursuant to Law 308 dated April 3, 2001, and subject to Banque du Liban's (BDL) approval, Lebanese banks' extraordinary shareholders' meetings may issue preferred shares with specific privileges, rights, or priorities.

Law 126 dated 29/03/2019 amended the Code of Commerce, allowing any company to issue preferred shares, offered to shareholders or the public.

Approval Process:

The Issuer (Bank or Company) submits the offering to the Capital Market Authority (CMA) for approval (Ref Series 6000). Upon CMA approval for the issuance and listing on the stock exchange, the Issuer seeks BDL's approval (Banks only).

An authorized broker, chosen by the Issuer, submits the application for securities admission to the Stock Exchange's Committee and follows up on admission procedures.

Subscription and Pricing:

Preferred shares' issue price comprises the par value in Lebanese Pounds plus a premium in USD. The offering is open to entities, individuals, and institutions, with exceptions including the Highest Banks' Executives, spouse or minor child of such person, any subsidiary or affiliate of the Issuer, or any other person acting on behalf of any such person, and, US citizens due to FATCA requirements. Neither the Bank nor any of its subsidiaries or affiliates may directly or indirectly finance the purchase of the Preferred Shares.

Holders of previously issued preferred shares may be granted preferential rights to subscribe to new series, pro-rata to their participation in the Bank's capital.

Public Offering and Verification:

The Official Call for Subscription is published in newspapers and the BSE bulletin. The public subscription period ends a few days before the Bank's Extraordinary General Meeting (EGM) of Shareholders, which validates the capital increase following BDL approval.

Funds collected from subscriptions are held in a special account at the Bank until transfer to BDL's designated account, excluding the premium in USD.

Midclear Process:

Midclear electronically captures data related to new share issues which were submitted by the Issuer on Midclear's Online System, and calculates pro-rata share allocations. It ensures compliance with restrictions on subscriber eligibility, and sends an official list to the Issuer for use in the EGM. This list should also be verified by BDL Legal department before the EGM takes place.

For Banks' New Preferred shares issuance, required documents by Midclear (email to the Registrar Department Registrardept@midclear.com.lb) include the following:

- CMA (Capital Market Authority) decision approving the issuance and the Marketing of the New Preferred Shares
- The terms and Conditions Sheet and on a later stage, the Final Prospectus, approved by the CMA
- Copy of the Minutes of Meeting taken at the Extraordinary General Assembly Meeting held to approve the Issuance of the new Shares
- BDL Central Council's Decisions approving the resolutions of the EGM
- The Official Call for Subscription to the Public published in the newspapers
- If the offering is in USD, the Exchange Rate of LBP against USD to be used for the calculation of the premium for the new Preferred Shares (Usually it's the Rate prevailing on the last day of the subscription period).
- The interest rate to be paid on the client escrow accounts as from the day of funds' transfer till the date of the shares' issuance.
- Legal documents i.e Board of Directors and ALCO Committee approvals for Banks' subscriptions (if any).
- Legal documents for Companies or Funds in compliance with Banque du Liban Intermediate Circular No. 411 dated 29/02/2016 addressed to Banks and Financial institutions
- Expected date for the Extraordinary General Assembly Meeting which will validate the Capital Increase.
- Expected date on which the amount of Capital Increase will be transferred to BDL.
- Submission of the new shareholders and the allocation of the new shares on Midclear Online System.

For issuance by any Company, similar documents are required, along other relevant information.

Listing and Trading:

Securities are credited to beneficiaries' accounts on the trading commencement day on the BSE.

Corrections or cancellations to registrations made by the Central Securities Depository (CSD) are only permitted in specific circumstances, such as beneficiary name modifications. If it concerns a wrong entry of shares, then it is typically reversed through trading on the BSE.

4. ISSUANCE OF COMMON SHARES RESULTING FROM STOCK OPTION PLANS

Approval Process:

To obtain approval from the BDL Central Council on option rights, the Issuer (Bank) must submit a request to the Governor along with specific documents:

- Copy of the minutes of the Extraordinary General Assembly authorizing the Board of Directors to grant option rights.
- Copy of the Board of Directors minutes detailing conditions for granting option rights, including maturity dates, exercise deadlines, subscription price, and share quantity.

Documentation for Midclear:

Upon BDL approval, the Bank provides Midclear S.A.L. with:

- Electronic list via CA Online of shareholder (or non-shareholder) names and granted option rights.
- Information on exercised option rights, including shareholder names, acquired shares quantity, and acquisition date.
- In the event of an option rights holder's demise, details of heirs or legatees entitled to exercise the right upon submission of required documentation (i.e . a certified true copy of the enforceable certificate of inheritance or the enforceable will)

Capital Increase and Share Subscription:

After exercising option rights, the Bank convenes an Extraordinary General Assembly to increase capital through new common shares and amend Bylaws accordingly.

Upon BDL approval for the capital increase, the Bank submits subscriptions on Midclear’s CA online system.

Midclear provides an official list, signed by Midclear and then by BDL, for use in the EGM verifying the capital increase's validity and payment.

Funds collected from shareholders’ exercises are transferred to the Bank’s BDL account designated for this purpose.

Listing Process:

If shares will be listed, the Issuer files an “Application for an Additional Listing” with necessary supporting documents, including GA resolutions approving share issuance and validating capital increase, and CMA and BDL approvals (BDL approval for Banks only).

The BSE approves the additional listing and coordinates with Midclear on timing.

If shares will not be listed, Midclear credits the shares and simultaneously withdraws Stock Options after BDL clearance (for Banks only), without further communication with the BSE.

Lock-up Period:

The Bank may impose a predetermined Lock-up Period during which shareholders are restricted from selling shares. Midclear blocks shares accordingly, and upon expiration of the Lock-up Period, the Bank instructs Midclear to unblock shares for trading.

5. INCREASE OF NOMINAL VALUE (PAR VALUE) PER SHARE

Amendment Process:

Changing the Par value per share typically requires an amendment to the Issuer's Bylaws.

The Issuer publishes a notice to convene an Extraordinary Shareholders Meeting in two local newspapers at least two weeks before the meeting, and on the BSE bulletin (for listed Issuers).

For companies, the minutes of the meeting deciding on the capital increase through an increase in Par value per share, and the subsequent Extraordinary Shareholders Meeting validating the new capital, are sent to Midclear for execution post-registration at the Commercial Register.

For Banks, the minutes of the meeting are sent to BDL for approval. Once approved and registered, a second Extraordinary Shareholders Meeting verifies the validity and ensures payment of the capital increase from reserves, retained earnings, or shareholders' cash contributions.

Collection and Transfer of Funds:

Whenever there are funds involved, regardless of the type of capital increase, funds are collected in a special account at the Bank. The day after the closing date, the capital increase amount is transferred to the Issuers's (Banks only) account at BDL, specifically opened for this purpose.

Upon receiving clearance from BDL, Midclear adjusts the Par value of securities constituting the Issuer's capital in the system.

B. STOCK SPLIT

A stock split is a corporate action in which a company divides its existing shares into multiple shares, thereby reducing its price or Par value, to enhance share liquidity. Despite the increase in the number of shares outstanding by a specific multiple, the total dollar value of shares or market capitalization remains unchanged.

Procedure:

Stock split ratios, such as 2-for-1 or 3-for-1, signify that shareholders receive two or three shares, respectively, for every one old share.

The Issuer publishes a notice convening an Extraordinary Shareholders Meeting in two local newspapers at least two weeks before the meeting, and on the BSE bulletin (for listed Issuers).

For companies, minutes of the meeting deciding on the share split are sent to Midclear for execution post-registration at the Commercial Register.

For Banks, meeting minutes are submitted to BDL for approval. Once approved and registered, and upon clearance from BDL, Midclear adjusts the Par value downward and increases the number of shares among shareholders.

Trading Suspension and Resumption:

If shares are listed on the BSE, the Issuer determines the trading suspension date before the split and the resumption date afterward.

The BSE issues a circular approving the additional listing and sets a date for trading commencement of the new stocks.

C. REVERSE STOCK SPLIT

In a Reverse Stock Split, the company reduces the number of shares owned by stockholders, resulting in an increase in the market price or the Par Value per share.

Procedure:

The Issuer publishes a notice convening an Extraordinary Shareholders Meeting in two local newspapers at least two weeks before the meeting, and on the BSE bulletin (for listed Issuers).

For companies, minutes of the meeting deciding on the reverse split are sent to Midclear for execution post-registration at the Commercial Register.

For Banks, meeting minutes are submitted to BDL for approval. Once approved and registered, and upon clearance from BDL, Midclear adjusts the Par value upward and decreases the number of shares among shareholders.

Trading Suspension and Resumption:

If shares are listed on the BSE, the Issuer determines the trading suspension date before the reverse split and the resumption date afterward.

The BSE issues a circular approving the reverse split and sets a date for trading commencement of the new stocks.

D. MERGER OF TWO ENTITIES

This chapter is governed by Law 192 dated January 4, 1993, on Facilitating Bank Mergers.

Article 1: The merged bank is hereby defined as the bank that ceases to exist under the procedures specified in this Law, in which case all its assets, rights, liabilities and obligations shall be added to the assets, rights, liabilities and obligations of another bank called the merging bank.

Procedure:

The actions to be taken in connection with a contemplated merger between two Banks depend on the mechanism of the Merger. In a simple merger, the following actions are taken by Both Merged Bank and Merging Bank:

- Hold a Board meeting to approve (i) the transfer of assets/Merger Agreement (ii) delegate to the Chairman-General Manager all necessary powers to complete the Agreement, and (iii) request BDL's preliminary approval of the Merger.
- Convene an Extraordinary General Meeting to approve the Merger (Sale /Purchase of Assets)

Preliminary Approval:

BDL grants preliminary approval of the Merger, specifying required conditions, deadlines, and guarantees for its final decision.

Final Approval:

Both banks hold a second Extraordinary General Meeting to finalize the Merger, fulfilling conditions set in the Merger Agreement and BDL preliminary approval, and will seek final approval of the Merger from BDL.

Publication:

The Merging Bank publishes a summary of Merger decisions in the Official Gazette and two local newspapers. This includes:

- Decisions from both banks' Extraordinary General Meetings.
- BDL Central Council's Final Decision.
- The Governor's decision to delist the Merged Bank from the official Banks' List.

Midclear's Role:

Upon receiving BDL Central Council's Final Decision, and upon a clear instruction from the Merging Bank, Midclear transfers the portfolio of the Merged Bank to the account of the Merging Bank.

Upon receiving Governor's decision to delist the Merged Bank from the official Banks' List, Midclear officially closes the account of the Merged Bank and notifies its Participants via email.

Post-Merger:

Following the Merger, the Merged Bank initiates winding-up and liquidation procedures.

E. CAPITAL REORGANISATION

Capital Reorganization involves altering a company's capital structure to address losses incurred during a financial year. This necessitates approval from the Shareholders at an Extraordinary General Assembly Meeting and approval from Banque du Liban (for Banks and Financial Institutions only).

Procedure:

- Shareholder Approval: Obtain approval from Shareholders at an Extraordinary General Assembly Meeting.
- BDL Approval: Seek approval from Banque du Liban.

Forms of Reorganization:

Capital reorganization may take various forms, with the most common form involving simultaneous actions:

- Decrease the Bank's capital by reducing the number of common shares on a prorate basis among shareholders.
- Increase the Bank's capital by increasing the number of common shares on a prorate basis among shareholders through subscriptions in cash or a combination of cash contribution methods.

Setting Conditions:

The Extraordinary Shareholders' Meeting determines the conditions and timetable for subscriptions.

Subscription Process:

Upon Banque du Liban's approval, the Bank sets subscription dates and schedules another Extraordinary General Meeting for Shareholders to validate the Capital Reorganization.

Shareholders subscribe, and funds covering the Bank's losses are collected in a special account at the Bank.

Transfer of Funds:

The day after the closing date, the funds are transferred to the Bank's account at Banque du Liban, specially opened for this purpose.

Midclear's Role:

Midclear does not set up a CA on the "CA Online" since no new shares are credited to shareholders' accounts.

Upon receiving clearance from Banque du Liban, Midclear simultaneously decreases and increases the shares, maintaining the Bank's capital.

For Non-Bank, Non-Listed Companies:

Issuers who are neither Banks nor listed companies send the validated meeting minutes to Midclear for execution after registration at the Commercial Register.

F. REDEMPTION OF PREFFERED SHARES

The redemption of preferred shares involves the cancellation and repurchase of outstanding preferred shares by the Bank, subject to compliance with applicable Central Bank and Banking Control Commission (BCC) regulations and financial ratios.

Conditions for Redemption:

The Bank may choose to redeem and cancel all or part (not less than 20% of the aggregate issue size each time) of the issued Preferred Shares outstanding, provided the following conditions are met:

- Compliance with regulatory requirements, including the availability of sufficient free reserves.
- Verification of compliance by the BCC.

Redemption Scenarios:

Redemption Upon Regulatory Event:

At any time after the Issue Date, if a Regulatory Event occurs (i.e., a change in any applicable law or domestic or international regulation or standard or in the official interpretation or application thereof, which would be reasonably likely to result in the aggregate Issue Price in respect of Preferred Shares not being included as Additional Tier 1 Capital of the Bank or otherwise in the event that the Bank would not be permitted to maintain the issue premium in respect of the Preferred Shares in U.S. Dollars or any other foreign currency as may be acceptable to the Bank).

Annual Redemption:

Within 60 days following the lapse of a 5-year period from the date of the Extraordinary General Meeting held to ascertain the issuance of Preferred shares.

Subsequently, within 60 days following each Ordinary General Meeting of Shareholders held to approve the annual accounts of the Bank for the preceding fiscal year.

Procedure for Redemption:

Board Approval:

The Bank's Board approves the decision to redeem and cancel outstanding preferred shares.

Central Bank Approval:

The Bank submits the Board decision to Banque du Liban for approval.

Payment of Redemption Amount:

Upon BDL approval, the Bank pays the redemption amount to Midclear, which repays the respective amounts into participants' accounts. The payment should occur within 60 days following the Ordinary General Meeting which approved the accounts of the preceding fiscal year

Redemption of Shares:

Midclear debits shareholders' accounts at the Participant level and credits the Issuer's Transitory Account (Type 50) with the redeemed preferred shares. If the shares are listed on the Stock Exchange, the BSE issues a circular stating the last trade date of the preferred shares, which is the date of the payment date.

Extraordinary General Meeting:

The Bank calls for an Extraordinary General Meeting to approve the redemption and cancellation of preferred shares, as well as any necessary adjustments to capital structure (Increase the Par value per share or distribute free common shares to the current holders of common shares on a pro-rata basis).

Final Approval:

Banque du Liban grants final approval for the redemption and any associated actions.

Midclear Process:

Midclear electronically captures data related to new share issues which were submitted by the Issuer on Midclear's Online System, and calculates pro-rata share allocations. It ensures compliance with restrictions on subscriber eligibility, and sends an official list to the Issuer for use in the EGM. Since there is no cash involved, the Issuer may opt to validate through a Board Meeting and therefore the list will be attached to the minutes of the Board Meeting. This list should also be verified by BDL Legal department before the EGM takes place.

Listing Considerations:

If the new shares are listed on the Stock Exchange, the Bank files an "Application for an Additional Listing" with the BSE.

The BSE issues a circular approving the additional listing and sets a date for commencement of trading in the new stocks.

Post-Redemption Actions:

If shares are not listed, Midclear credits the shares upon receiving clearance from BDL and debits the Issuer's Transitory Account (Type 50) with the redeemed preferred shares.

If the Par Value per share is increased, Midclear adjusts the nominal value in systems and debits the Issuer's Transitory Account (Type 50) with the redeemed preferred shares.

G. DELISTING OF SECURITES FROM THE BSE

Delisting of securities from the Beirut Stock Exchange (BSE) may occur due to various reasons:

- Failure to meet requirements of the Stock Exchange.
- Issuer no longer meeting listing requirements outlined in CMA Regulation series 7000.
- Company failing to meet minimum standards set by the Stock Exchange.
- Voluntary request for delisting by the issuer.

Delisting Process:

The Capital Market Authority (CMA) may suspend or cancel a listing or trading of securities without prior notice to the issuer.

The CMA notifies the issuer and the public of any suspension or cancellation, including reasons and conditions for lifting the suspension.

The Stock Exchange warns the issuer about the risk of delisting and takes appropriate action, in coordination with the CMA, if requirements are not met.

Voluntary Delisting:

Issuer must obtain prior approvals for delisting at an Extraordinary General Meeting of Shareholders and from the CMA.

Application for delisting must be filed with the Authority at least 20 days before the proposed date of cancellation.

Delisting Procedure:

On the delisting day, Midclear debits shares from shareholders' accounts at the Participants' level with the listed securities and credits the same accounts with the delisted securities.

Delisted securities have a different local security code from listed shares, but the ISIN remains the same for both.